



MINUTES

Special Committee on Appropriations

One Hundred Thirty third Meeting

2004 Interim

Monday, June 14, 2004

Legislative Conference Rooms 1 & 2

State Capitol Building

Pierre, South Dakota

The one hundred thirty third meeting of the Special Committee on Appropriations was called to order by Senator Jerry Apa, Co-Chair, at 9:00 a.m., Monday, June 14, 2004, in Legislative Conference Rooms 1 and 2 of the State Capitol in Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Jerry Apa (Co-Chair), H. Paul Dennert, William F. Earley, Brock L. Greenfield, Mike Jaspers, Marguerite Kleven, William M. Napoli, and Duane Sutton (Vice Chair); and Representatives Julie Bartling, Quinten Burg, Rebekah Craddock, Mary Glenski, Ted Klaudt, J.E. "Jim" Putnam (Co-Chair), Orville B. Smidt, and Ron Williamson. Senator Robert N. Duxbury and Representative Stanford M. Adelstein (Vice Chair) were excused.

Staff members present included Reed Holwegner, Chief Fiscal Analyst; Mark Zickrick, Principal Fiscal Analyst; Sue Cichos, Senior Fiscal Analyst; Aaron Olson, Fiscal Analyst; and Teri Retrum, Senior Legislative Secretary.

A list of persons present during all or part of the meeting is on file with the master minutes.

(**NOTE:** For sake of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents are on file with the Master Minutes.)

Expenditure Authority Requests

The ***Interim Report***, prepared by the Bureau of Finance and Management, is on file with the master minutes as **Document #1**.

Mr. Holwegner presented the committee with a memo analyzing the interim budgetary requests (**Document #2**).

Department of Military and Veterans Affairs

State Veterans Home Program—\$61,000

Mr. Larry Wilcox, South Dakota Veterans' Home (SDVH), testified that the SDVH is requesting \$61,000 from other funds to address the overtime demands of twenty-four hour direct care in the home. He reported that the new requirements for nurse staffing ratios at the home have resulted in a 2.33 nursing care staff shortage. Emergency temps and overtime were used during the fiscal year to meet direct care requirements. Also, Mr. Wilcox said that the nursing department has been short-handed due to other employee circumstances, and the support services division had two retirement payouts totaling \$16,635.

Responding to a question from **Co-Chair Representative J.E. "Jim" Putnam**, Mr. Wilcox said that the Veterans Administration sets the guidelines that South Dakota must follow for the State Veterans' Home.

Mr. Jason Dilges, Commissioner, Bureau of Finance and Management, responded to a question posed by **Senator William Earley** concerning large retirement payouts. Mr. Dilges explained that in

addition to a retirement payout, a retiring employee also receives allowed benefit payments. He said that state law allows for the payment of unused vacation hours and up to one-fourth of sick leave hours, if the employee has been employed by the state for seven years. Mr. Dilges said that retirement payouts are not budgeted. Also responding to Senator Earley, Mr. Dilges said that South Dakota does not offer a bonus to retire early and that the retire/rehire practice will no longer be allowed after July first.

Senator Marguerite Kleven said that some state employees have expressed concern over the changes in the retirement system for the upcoming year. She asked if the changes will negatively impact the retirement fund. Speaking as a member of the Legislature's Retirement Laws Committee, Senator Earley said that the South Dakota Retirement System (SDRS) has the funds required to fund the retirees and that the system is well-funded for the future.

Representative Orville Smidt asked, "What is the source of the other funds?"

Mr. Wilcox responded that the source for other funds is money from either the residents of the home or the Veterans Administration.

REPRESENTATIVE PUTNAM MOVED, SECONDED BY REPRESENTATIVE SMIDT, THAT THE COMMITTEE APPROVE THE REQUEST FROM THE DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS FOR AN APPROPRIATION OF \$61,000 FROM OTHER FUNDS FOR THE STATE VETERANS' HOME PROGRAM IN FY 2005. The motion prevailed on a roll call vote with 15 voting AYE, 0 voting NAY, and 3 EXCUSED. Those voting AYE: Dennert, Bartling, Glenski, Greenfield, Craddock, Earley, Klaudt, Kleven, Smidt, Napoli, Williamson, Duane Sutton, Jaspers, Apa, and Putnam. Those EXCUSED: Duxbury, Burg, and Adelstein.

**Department of Public Safety
Homeland Security—\$4,000,000**

Mr. Tom Dravland, Secretary, Department of Public Safety, testified that the Department of Public Safety is requesting to spend \$4 million from federal funds for homeland security. He said that eighty percent of the Homeland Security funds need to be directed to the local government units and tribes in South Dakota. Mr. Dravland explained that the department did not know the total dollar amount that the federal government would allot for domestic preparedness. The department requested \$2,565,046 from federal funds for FY 2004 based upon federal funding amounts at that time. After the federal Homeland Security grants were increased to the state, the department received an additional \$2,570,000 for homeland security. Local government reimbursements and state agency expenditures have been greater than anticipated. Therefore, Mr. Dravland said that the department is requesting an additional \$4 million from federal funds to cover the \$3.4 million that local governments, tribes, and state agencies have been reimbursed already and additional expenditures through the end of the current fiscal year.

Co-Chair Putnam expressed concern that the money requested was already spent without receiving the prior permission of the committee.

Mr. Dravland repeated that the department did not know that the federal government was going to allocate more money. He said that once the money was obligated by the federal government, the department had forty-five days to distribute the money to the local governments. Eighty percent of the grants have to benefit city, county, and tribal governments. Mr. Dravland said that the Office of Homeland Security, as well as the federal government, is watching over the requests from the local governments.

Co-Chair Putnam expressed his concern about money being spent before being authorized by the committee and questioned: "Why do we always get the horse before the cart? We are playing catch-up." He said that the committee needs to be able to approve appropriations before the money is spent.

Co-Chair Jerry Apa asked Mr. Dravland if he believes that ATVs and night vision goggles are important uses for homeland defense money. Chair Apa expressed his concern that the porous borders of the United States are the problem and said that he believes that the money could be better spent to address that issue.

Mr. Dravland stated that he believes an item is appropriate if that item is on the federal government's list of allowable purchases. Mr. Dravland said that the federal government is responsible for the borders. He said that the federal government is trying to get a handle on a very big issue. One of the goals is to get various units of government working as a cohesive unit. Purchases are not only to cover security but also to cover all other hazards and to cover training and exercises, etc. Mr. Dravland said that the equipment and materials have been very much appreciated at the local level.

Ms. Jeannette Schipper, Department of Public Safety, distributed copies of a document outlining the federal grant amounts, expenditures, projected expenditures, and funds available for federal fiscal years 1999 to 2004 (**Document #3**).

Representative Ron Williamson said that the committee should not have to approve something that has been spent already. This is not the way that the process should work. He asked if the \$4 million requested is going under the FY 2004 budget.

Ms. Schipper responded that the department is requesting the money to finish this year's obligations.

Mr. Dravland said that the department was unaware that the federal government was going to give the state the additional \$4 million when it made its budgetary request. Mr. Dravland said that in January, the federal funds will be \$22,690.026 and that the department will not go above that amount. He said that the additional \$4 million was an unusual circumstance, and the state had to allocate it to local governments within forty-five days. The department was working under those time constraints.

Co-Chair Putnam said that the expenditures that the committee authorized were disregarded and that the committee is supposed to be part of the process. He asked the department to tell the committee when there is money available. The department should not spend money before it has the authority to spend the money.

Mr. Dravland said that there certainly was no intent to go outside the process or to go around the committee. Referring to the committee's typical meeting schedule, Mr. Dravland asked for guidance on how to proceed with notifications to the committee.

Co-Chair Putnam asked Mr. Dravland to help the committee figure out how to do this process better and that the committee will solve the problem.

Representative Ted Klaudt said that the committee needs to know the exact date that the department was notified that it would be receiving an additional \$4 million so that the committee will know what the window of opportunity was for notification of the committee.

Mr. Dravland said that he will provide the committee with that date. He also said that the forty-five day time period is the frame that the federal government has given to the states to allocate the money, but the money does not have to be spent in forty-five days.

Mr. Dilges said that he understands that the Legislature needs to have oversight and asked if a quarterly appropriations meeting would be beneficial. He said that when dealing with these types of awards, circumstances can change dramatically in a day, a week, or a month.

Representative Williamson said that perhaps the committee should explore meeting more often and restated that the concern is agencies spending money over and above the appropriated amount.

Mr. Dravland said that the department does not want to jeopardize its chances to obtain these types of funds and asked the committee for direction on how the department can maintain flexibility to do its job and, at the same time, to keep the committee informed.

Representative Quinten Burg said that there needs to be better communication between the agencies and the committee. He suggested that agencies contact LRC staff, who will in turn inform the co-chairs of the committee, and they can determine whether there is a need for a meeting to address the issue.

Senator Earley said that, in the future, an agency should not spend money for which there has been no prior appropriation.

Senator Bill Napoli said that he does not want the local governments stuck with an on-going expense if the federal government does not provide future funds for maintenance on equipment and other items. Senator Napoli then asked, "Is this one-time money?"

Mr. Dravland responded affirmatively.

Responding to Representative Smidt, Mr. Dravland said that the department conducts a statewide assessment for submission to the federal government. Some of the issues addressed in the assessment are needs, assets, vulnerabilities, and the capability to use equipment to respond to emergencies. The assessments are conducted every three years.

SENATOR NAPOLI MOVED, SECONDED BY REPRESENTATIVE CRADDUCK, THAT THE COMMITTEE APPROVE THE REQUEST FROM THE DEPARTMENT OF PUBLIC SAFETY FOR \$4,000,000 FROM FEDERAL FUNDS FOR HOMELAND SECURITY IN FY 2004. The motion prevailed on a roll call vote with 14 voting AYE, 2 voting NAY, and 2 EXCUSED. Those voting AYE: Dennert, Bartling, Burg, Glenski, Cradduck, Earley, Klaudt, Kleven, Smidt, Napoli, Williamson, Duane Sutton, Jaspers, and Putnam. Those voting NAY: Greenfield and Apa. Those EXCUSED: Duxbury and Adelstein.

Co-Chair Apa asked Mr. Dravland to please send a monthly update to Mr. Holwegner, who will notify the co-chairs, who will then decide on a course of action for the committee.

Mr. Dravland said that he will comply with the request.

Department of Human Services—\$836,961

Mr. Dan Lusk, Department of Human Services, said that the department is requesting \$836,961 from federal funds for FYs 2004 and 2005, which is broken into the following three components:

1. Division of Alcohol and Drug Abuse--\$499,549 for a federal grant received for improving capacity and long-term development of the alcohol and drug abuse prevention system;
2. An additional \$198,768 in federal fund expenditure authority for a block grant increase; and
3. Division of Mental Health--\$138,644 for Title XIX services.

Representative Rebekah Craddock asked who is doing the planning for the alcohol and drug abuse prevention system. Representative Craddock also asked whether the Appropriations Committee will be asked to fund this program sometime in the future.

Ms. Betty Oldenkamp, Secretary, Department of Human Services, said that the University of South Dakota and a research firm are working on the planning for the alcohol and drug abuse prevention system, along with a large steering committee. Ms. Oldenkamp said that the grant does not require a state match and that, hopefully, it will be an on-going opportunity so that the department will not have to request state funding in the future.

SENATOR EARLEY MOVED, SECONDED BY REPRESENTATIVE KLAUDT, THAT THE COMMITTEE APPROVE THE REQUEST FROM THE DEPARTMENT OF HUMAN SERVICES FOR \$836,961 FOR FEDERAL FUNDS FOR FISCAL YEARS 2004 AND 2005. The motion prevailed on a roll call vote with 15 voting AYE, 0 voting NAY, and 3 EXCUSED. Those voting AYE: Dennert, Bartling, Burg, Glenski, Greenfield, Craddock, Earley, Klaudt, Kleven, Smidt, Napoli, Williamson, Duane Sutton, Apa, and Putnam. Those EXCUSED: Duxbury, Adelstein, and Jaspers.

Attorney General—\$100,000 and 2.0 FTEs

Mr. Kevin Thom, Division of Criminal Investigation, said that the Office of the Attorney General is requesting \$100,000 from federal funds and 2.0 FTEs in order to use the Violence Against Women Grant that is received through the Department of Social Services for a Victim Witness Assistant Program.

Co-Chair Putnam said that this would start up a new program in the Office of Attorney General and asked if it will require a state match in the future.

Mr. Thom responded that a decision will be made whether to continue the program if the grant money is eliminated. He said that the grant is funded on a year-to-year basis.

Co-Chair Apa asked, "Do you know when the state portion of the grant was worked on?"

Mr. Thom replied that the work on the state's portion of the grant began about two months ago.

Responding to Co-Chair Putnam, Mr. Thom said that the majority of the grant is used by the Department of Social Services. Mr. Thom said that the focus of the program will be in the rural areas where there are limited services for this type of assistance.

Co-Chair Putnam said that although he believes that this new program for victim witness assistance is a good program, the Legislature should be involved in authorizing the program.

Co-Chair Apa and **Representative Mary Glenski** suggested that this issue could be considered by the Legislature during the 2005 session.

The committee took no action on the request.

New Building for the DCI Joint Use Building

Mr. Thom gave the committee an update on the status of the new building for the DCI Joint Use Building. He distributed copies of a document from Sioux Falls Construction outlining a proposal for possible reductions in scope and cost (**Document #4**). Among the reasons for the possible reductions, Mr. Thom noted that the construction market has hardened, and the cost of materials has increased considerably.

Co-Chair Putnam said that it was good to know what problems may develop. He said that these types of problems will have to be dealt with in the future and that he appreciates being made aware of potential costs. Co-Chair Putnam asked when DCI would know the final cost estimate for the building.

Mr. Thom stated, "We will have a guaranteed price within thirty to sixty days."

Co-Chair Apa stated, "We need to make sure that the building is adequate and not come back two years from now and ask for more."

Representative Williamson replied that \$21.3 million was appropriated for the building and that it should be built for as close to that amount as possible. Any premature discussion of cost overruns would only inflate the total cost of the building.

Senator Napoli agreed and also said that he expects it to cost the appropriated amount.

Co-Chair Apa restated his position that he does not want to build a facility unless it suits the present and future needs of the state.

Interdepartmental Transfer of Appropriations

Mr. Dilges explained the request to transfer appropriations of \$280,500 (State General Fund) from the Departments of Environment and Natural Resources (\$55,000), Revenue and Regulation (\$30,000), Labor (\$45,500), and Public Safety (\$150,000) to the Transportation Department for the purchase of an airplane hangar in Pierre. Mr. Dilges distributed copies of the Department of Transportation Lease Agreement for the State Hangar (**Document #5**). He said that in 1999, the Department of Transportation entered into a lease agreement with the City of Pierre for the State Hangar. Mr. Dilges said that it might be easier to lease the land and the building but that it may be better to ask for a long-term lease with the City of Pierre.

Co-Chair Apa expressed his preference to explore a long-term lease with the City of Pierre for the State Hangar.

The committee took no action on the request.

The committee recessed at 12:00 noon and reconvened at 12:17 p.m.

Board of Regents—\$22,483,160 and 132.9 FTEs, FY 2004

Board of Regents—\$11,566,330 and 143.0 FTEs, FY 2005

Ms. Mary Ellen Garrett, Board of Regents, said that the board wished to revise its FY 2004 request from \$22,068,169 that appears in Document #1 to \$22,483,169 (\$11,892,211 from federal funds and \$10,590,958 from other funds) and 132.9 FTEs. For FY 2005, the board is requesting an additional \$4,900,942 from federal funds and \$6,665,388 from other funds. The board also is requesting an additional 143.0 FTEs.

Mr. Monte Kramer, Board of Regents, referenced a memorandum previously sent to the committee that explained where some of the growth has been in the Board of Regents' system:

- Federal grants and contracts—Added 37.5 FTEs to cover the classes of participating professors;
- Self-support area—Distance learning, Internet courses, etc. Since 1995, the Board of Regents has added 5,200 more in services, hiring adjuncts, etc., to support distance learning—Requesting twenty-five additional FTEs; and
- On-campus education and services.

Responding to Co-Chair Apa, Mr. Kramer said that the Board of Regents is attempting to address a projected declining enrollment. He said that this year a one percent increase in enrollment was expected but the system experienced a 3.5 percent increase. Mr. Kramer said that beginning next year and thereafter a 20% to 25% decline in enrollment is expected.

Representative Ron Williamson asked if the universities would be able to reduce costs if there are fewer students in the future. Mr. Kramer said that the board would not ask for additional appropriations from the General Fund nor ask for the maintenance of FTEs if there are fewer students.

Co-Chair Apa asked about the compliance with Title 9. Mr. Kramer said that after the USD lawsuit, the regental system would be compliant in three years.

Co-Chair Apa then asked if the money spent by BHSU was used to teach Lakota to students or teachers. **Ms. Kathy Johnson**, a representative of BHSU, said the money was for instructing teachers at reservation schools that teach science and math classes.

Co-Chair Apa then asked **Mr. Don Erlenbusch**, a representative of NSU, about the \$20,000 for the tobacco coalition. According to NSU, the money is to discourage students from smoking

Senator H. Paul Dennert asked about the status of the new football stadium at NSU. He was told that the discussions are very preliminary.

Mr. Kramer answered a question from Representative Williamson by stating that most of the increased enrollment was in Sioux Falls. Further responding to Representative Williamson, Mr. Kramer said that when the enrollment begins to decrease, the FTEs also will decrease.

Representative Smidt stated that South Dakota State University (SDSU) in Brookings continues to grow and is likely to continue that path. He observed that the students' costs in South Dakota are lower than those in surrounding states. Mr. Kramer concurred. Mr. Kramer said that SDSU had an

increase in on-campus enrollment; the increase for Sioux Falls was for off-campus enrollment. Mr. Kramer said that the system will continue to recruit across state lines in an effort to increase out-of-state enrollment status.

Co-Chair Apa asked Mr. Kramer if those faculty who are employed due to research grants are aware that their positions would be eliminated should they not be able to find future research funding. Mr. Kramer said, yes, they were aware of that fact.

CO-CHAIR PUTNAM MOVED, SECONDED BY REPRESENTATIVE SMIDT, THAT THE COMMITTEE APPROVE THE REQUEST FROM THE BOARD OF REGENTS FOR AN ADDITIONAL \$11,892,211 FROM FEDERAL FUNDS AND \$10,590,958 FROM OTHER FUNDS AND AN ADDITIONAL 132.9 FTEs FOR FY 2004. The motion prevailed on a roll call vote with 12 voting AYE, 3 voting NAY, and 3 EXCUSED. Those voting AYE: Dennert, Bartling, Burg, Glenski, Cradduck, Earley, Kleven, Smidt, Williamson, Duane Sutton, Jaspers, and Putnam. Those voting NAY: Klaudt, Napoli, and Apa. Those EXCUSED: Duxbury, Greenfield, and Adelstein.

The committee took no action on the FY 2005 request.

Co-Chair Putnam said that the Board of Regents should come before the appropriations committees during the 2005 Legislative Session and action will be taken at that time.

The committee recessed at 1:45 p.m. and reconvened at 2:15 p.m.

Proration of Investment Income

Mr. Dilges briefly discussed the recommendations for the designation of companies as either "participating" or "nonparticipating" in the proration of investment income earned in FY 2004. (This information is included in Document #1.)

After brief committee discussion, **SENATOR KLEVEN MOVED, SECONDED BY CO-CHAIR PUTNAM, TO APPROVE THE PRORATION OF INVESTMENT INCOME FOR FY 2004. The motion prevailed unanimously on a voice vote.**

Homestake Laboratory Conversion Project

Mr. Dilges distributed a document outlining the FY 2004 budget for the Homestake Conversion Project **(Document #6)**. Mr. Dilges said that the National Science Foundation Grant did not materialize so general funds were used to pay for salaries and benefits to avoid closing down the office. He said that he does not know why the grant did not materialize.

Representative Smidt asked if the Science and Technology Authority is in place and operational. Mr. Dilges said that Dr. Gowen was hired as interim director but the board has not been appointed yet.

Insurance Interstate Compact

The committee then reviewed the preliminary insurance interstate compact report from the Division of Insurance.

Ms. Ellen Blauert, Division of Insurance, said that **Mr. Randy Moses**, Division of Insurance, will send a final report concerning this meeting.

Approval of Zero-Base Budgeting Forms

Mr. Dilges distributed copies of the zero-base budgeting forms for the Department of Game, Fish and Parks **(Document #7)**. Mr. Dilges said that it is very labor-intensive to compile this type of documentation and wanted to make sure that the committee desires the information contained with it.

Mr. Holwegner commented that in addition to the decision packages for each program that explain the minimum, current, and expanded levels of service, the agency would have to prioritize its budget as required by SDCL 4-7A-4. Mr. Holwegner distributed to the committee a copy of the FY 1980 priority ranking report that was prepared by the Division of Elementary and Secondary Education in the Department of Education and Cultural Affairs **(Document #8)**.

After brief committee discussion, **SENATOR EARLEY MOVED, SECONDED BY REPRESENTATIVE KLAUDT, THAT THE COMMITTEE APPROVE ALL OF THE SUBMITTED ZERO BASED BUDGETING FORMS.** The motion prevailed unanimously on a voice vote.

FY 2005 Draft Letters of Intent (Document #9)

Representative Cradduck said that the committee needs to know that the Department of Social Services (DSS) has increased salaries by three percent for the workers of the health care facilities.

REPRESENTATIVE CRADDUCK MOVED, SECONDED BY REPRESENTATIVE PUTNAM, THAT IN THE LETTER ADDRESSED TO THE DEPARTMENT OF SOCIAL SERVICES, DELETE THE LAST TWO PARAGRAPHS AND INSERT THE FOLLOWING:

- **"INCREASE SOCIAL SERVICES OPERATING EXPENSES BY \$2,035,187 STATE GENERAL FUNDS, \$3,939,091 FEDERAL FUNDS AND \$27,183 OTHER FUNDS FOR AN INCREASE IN THE PROVIDER INFLATION RATE FROM 1.6% TO 3.0%. THE JOINT COMMITTEE REQUESTS THAT THESE FUNDS BE USED TO PROVIDE A 3% PAY INCREASE TO WORKERS IN NURSING FACILITIES.**

THE JOINT COMMITTEE REQUESTS THE DEPARTMENT OF SOCIAL SERVICES TO REQUEST EACH NURSING FACILITY TO PROVIDE TO THE DEPARTMENT OF SOCIAL SERVICES A SIGNED STATEMENT INDICATING A MINIMUM OF A 3% PAY INCREASE WILL BE PROVIDED TO WORKERS DURING THE STATE FISCAL YEAR 2005."

The motion prevailed unanimously on a voice vote.

REPRESENTATIVE CRADDUCK MOVED, SECONDED BY REPRESENTATIVE PUTNAM, THAT IN THE LETTER ADDRESSED TO THE DEPARTMENT OF HEALTH, DELETE THE LAST SENTENCE. The motion prevailed unanimously on a voice vote.

REPRESENTATIVE CRADDUCK MOVED, SECONDED BY SENATOR DUANE SUTTON, THAT IN THE LETTER ADDRESSED TO THE DEPARTMENT OF HUMAN SERVICES, DELETE THE LAST PARAGRAPH AND INSERT THE FOLLOWING:

"THE JOINT COMMITTEE REQUESTS THE DEPARTMENT OF HUMAN SERVICES TO REQUEST EACH ADJUSTMENT TRAINING CENTER, MENTAL HEALTH CENTER, ALCOHOL AND DRUG ABUSE PROVIDER, AND ASSISTIVE DAILY LIVING SERVICE PROVIDER TO PROVIDE THE DEPARTMENT OF HUMAN SERVICES A SIGNED STATEMENT INDICATING THAT A MINIMUM OF

A 3% PAY INCREASE WILL BE PROVIDED TO WORKERS DURING THE STATE FISCAL YEAR 2005."

The motion prevailed unanimously on a voice vote.

REPRESENTATIVE KLAUDT MOVED, SECONDED BY SENATOR EARLY, THAT THE COMMITTEE APPROVE THE DRAFT LETTERS OF INTENT, AS AMENDED. The motion prevailed unanimously on a voice vote.

Committee Meeting Schedule

Representative Smidt suggested that the committee meet quarterly or at the call of the co-chairs.

Co-Chair Putnam said that he prefers that the committee meet at the call of the co-chairs.

Senator Earley said that the co-chairs need to be kept apprised of developments so that they can make the determination of whether or not to call a meeting.

Co-Chair Apa agreed. He said that the committee needs to be kept better informed by the departments on any changes that arise.

Mr. Kramer acknowledged that communication could be better and said that the Board of Regents will make an effort in that regard.

Responding to a question posed by Representative Smidt, Mr. Dilges said that rescission of the food tax in South Dakota is a concern. Mr. Dilges said that he has been directed by the Governor to put together two budgets this fall.

Adjournment

SENATOR NAPOLI MOVED, SECONDED BY REPRESENTATIVE KLAUDT, THAT THE COMMITTEE BE ADJOURNED. The motion prevailed unanimously on a voice vote.

The committee adjourned at 4:05 p.m.

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